

CENTRAL INTELLIGENCE AGENCY

INTELLOFAX 13

CD NO

## INFORMATION REPORT

CONFIDENTIAL

COUNTRY Yugoslavia

SUBJECT The Iskra Factory at Kranj

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1. The Iskra factory, located in Kranj, was formerly a textile factory known as Jugoceska. After the liberation, the factory was nationalized and became an electro-technical and tool factory. It was originally administered by the Ministry of the Interior, then by the Ministry for Heavy Industry in Belgrade, and finally by the General Directorate of Electro-Technical Industry in Belgrade. 25X1
2. During 1949 the following articles were produced: 25X1
  - One hundred complete cinema projectors.
  - Five thousand electrical measuring instruments (volt and ampere meters)
  - Five thousand small electric motors
  - Two hundred telephones
  - Miscellaneous articles such as clocks, et cetera, which are no longer in production. 25X1
3. Work is in progress on the production of the 35 mm cinema projectors, but it is doubtful whether this will succeed as the foreign experts working on this project have returned to their home countries. Dry rectifiers are being prepared for production not only by the Iskra factory but by other Yugoslav factories, and the results will decide which factory will produce this article. According to secret plans, Iskra, in the event of war, will produce trucks for the Army.
4. Most materials are delivered to the factory by rail, but items such as chemicals, which are required in small quantities only, are brought to the factory by motor transport. The following materials are being imported from abroad: 25X1
  - Instruments from Switzerland.
  - Wool and rayon for spools from Holland
  - Magnetoes supplied by Boehler
  - Chemicals from Italy
  - Special chemicals from Great Britain and the United States
  - Other items from Germany.
5. The most important Yugoslav sources for materials are the Jesenice steel works, which supplies all types of steel and other metals, and the Elka

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Enterprise, supplying Iskra with wire for electrical spools and heating wire. Both of these latter items, however, are initially obtained from Sweden.

6. All finished articles are delivered by rail or road, directly to the central authorities concerned.

7. Factors limiting output:

- a. Inefficient administration and planning.
  - b. Lack of raw materials caused by:
    - 1) Shortage of foreign currencies.
    - 2) The Cominform blockade.
    - 3) Bad distribution and irregular deliveries of the various materials required, which often lie unused in warehouses throughout Yugoslavia.
    - 4) Inefficiency on the part of the supply department of the factory.
    - 5) Thefts of materials in short supply. This applies not only to the workers, who are prompted by small wages, but mainly to Communist officials, who have committed large scale thefts and frauds.
  - c. Appointment to important positions of untrained men who are politically suitable to the regime.
  - d. Bad and often delayed allocation of food which, together with bad living conditions for the workers, and the privileges continuously given to Party members, disheartens the workers and clerical staff.
  - e. Cases of carelessness and/or intended sabotage which are continually increasing.
  - f. Workers receive no pay for overtime work.
8. The factory employs a total of 1,800 workers, of whom approximately one third are women and ten percent are clerical staff. Approximately twenty percent of the employees are members of the Yugoslav Communist Party or the Communist Party Youth Organization. The percentage of skilled workers is very small. Most of these have attended various special courses, which, however, are mainly concerned with political ideology and not technical subjects. The factory employs no forced laborers.
9. The security of the factory is under the control of the UDB and the factory security department. A large number of porters and assistant porters have been employed by the security department.

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10. Personalities

- a. Velkoslav Marinic
- b. Pavel Krystufek
- c. Vera Cegnar
- d. Branko Hartner
- e. Marta Vidmar
- f. Dr. Miroslav Trust
- g. Engineer Milan Zeleznik

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h. Franko

i. Gersak

j. Radovan Tavzes

k. Fahir

l. Grisar

m. Engineer Axmanovic

n. Tone Dovjak

o. Engineer Franc Sila

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